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September 27, 2006

The Honorable Alberto Gonzales
Attorney General of the United States
U.S. Department of Justice
950 Pennsylvania Avenue, N.W.
Washington, DC 20530

Dear Attorney General Gonzales:

In recent years, the telecommunications industry has seen rapid consolidation and increasing market concentration. We write to request that the Department more carefully examine the competitive impact of this consolidation. It is our understanding that the Department will soon reach a final decision in its analysis of the proposed AT&T/BellSouth merger. As you are aware, the Proposed Final Judgments (Consent Decrees) in the mergers of SBC/AT&T and Verizon/MCI are under review by the District Court of the District of Columbia pursuant to the Antitrust Procedures and Penalties Act ("Tunney Act"), as amended by the Standards Development Organization Advancement Act of 2004 (P. L. No. 108-237). The 2004 amendments to the Tunney Act further clarify the clear intent of Congress that federal courts substantively review each consent decree in civil antitrust cases filed by the Department of Justice to ensure that the remedy proposed in the consent decree is in the "public interest."

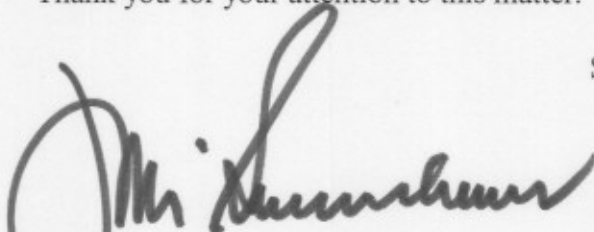
In the current Tunney Act proceedings, the court is examining the sufficiency of proposed remedies intended to alleviate competitive harm - particularly in the local private line marketplace - associated with the SBC/AT&T and Verizon/MCI mergers. At the same time, the Department is evaluating precisely the same question - whether a proposed merger would produce competitive harm in the local private line market and what remedies could address this harm - in the context of the proposed AT&T/BellSouth merger. As a result of this concurrent examination, any court decision in the pending Tunney Act proceedings would necessarily affect the Department's review and analysis of the proposed AT&T/BellSouth merger. In order to ensure that the pro-competitive safeguards contained in the Tunney Act receive proper deference, we write to request that the Department refrain from issuing any final decision in the proposed AT&T/BellSouth merger until the court issues its public interest determination as required by this Act.

Should the court uphold the Department's competitive analysis of the impact of the proposed mergers of SBC/AT&T and Verizon/MCI, the Department could expeditiously complete work on the proposed merger of AT&T/BellSouth. However, should the court find the Proposed Final Judgments not to be in the public interest, the Department will be required to revisit its analysis and propose remedial action consistent with the determination of the court.


As you know, the SBC/AT&T and Verizon/MCI mergers combined the two largest Regional Bell Operating Companies (RBOCs) with their two largest competitors, producing a degree of concentration in this marketplace unseen since the breakup of Ma Bell a quarter century ago. Due to the size and scope of the transaction and its potential adverse impact on competition and consumer choice, we strongly urge the Department to carefully review the newly proposed AT&T/BellSouth transaction to mitigate the risk of competitive harm and to ensure that it is consistent with the public interest. To secure this outcome, compliance with the Tunney Act's requirement that courts be given authority to substantively review the adequacy of proposed consent decrees entered by the Department of Justice is not only a reasonable request, but a clear directive Congress reaffirmed in its 2004 amendments to the Tunney Act. As a result, we request the Department postpone concluding its examination of the proposed AT&T/BellSouth merger until the court has completed its review of the SBC/AT&T and Verizon/MCI mergers pursuant to the Tunney Act.

Thank you for your attention to this matter.

Sincerely,



F. JAMES SENSENBRENNER, Jr.
Chairman



JOHN CONYERS, Jr.
Ranking Member

cc: The Honorable Thomas Barnett
The Honorable Kevin Martin